

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2007 - HB 1880

March 23, 2009

SUMMARY OF BILL: Transfers the Bomb and Arson Section currently located within the Fire Prevention Division of the Department of Commerce and Insurance to the Tennessee Bureau of Investigation (TBI). Requires the Director of the TBI to develop and present a transfer plan.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$28,400/Annual Amortized Cost
\$141,900/Recurring**

**Increase Federal/Other Expenditures - \$9,500 Annual
Amortized Cost**

Other Fiscal Impact - Twenty-eight positions, as well as \$1,220,800 recurring funding for these positions, will shift from the Department of Commerce and Insurance, Division of Fire Prevention, to the TBI.

Assumptions:

- According to the Department of Commerce and Insurance, the base salary for a TBI agent is approximately \$4,200 more than the salary for a Bomb and Arson Special Agent. Twenty-eight positions will be transferred. Employees transferring to TBI will become TBI agents. Average salary increase estimated to be \$4,200 per agent for an increase in recurring expenses of \$117,600 for salaries (\$4,200 x 28) plus \$24,307.92 for benefits (\$4,200 x 28 x 20.67%). Total recurring expenses of \$141,907.92 (\$117,600 + \$24,307.92).
- These 28 positions would move from Group I to Group II in the Tennessee Consolidated Retirement System (TCRS) resulting in an increase in the contributions to TCRS of 3.11 percent of total salaries. There will also be a retirement bridge cost to adjust going from a 30-year to a 25-year retirement range.
- Total lump sum liability of \$386,800 amortized over 20 years.

- Annual cost to amortize the additional liability over 20 years is estimated to be \$37,900 (\$28,400 state and \$9,500 federal/other).
- Funding ratio for state employee cost is 75 percent state and 25 percent federal.
- A total of 28 members with an average salary of \$43,600 would be affected by provisions of the bill.
- Recurring funding of \$1,220,800 shifts from the Department of Commerce and Insurance to TBI (\$43,600 x 28 positions).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/lsc